

MEMO

TO: SUPERVISOR MEYERS
PLANNING BOARD CHAIRMAN PETRO

SUBJECT: GMH

DATE: DECEMBER 20, 2002

A meeting took place in my office today attended by Todd Wiley, John MacDonald, and me; and Paul Hannan from GMH.

Before Hannan arrived I explained the Stewart Terrace/ GMH situation to Todd Wiley. I said that the Navy had presented the tax-paying arrangement at the outset—even before GMH was involved as winner of the RFP. A Navy official, Scott Forrester, had come to Town Hall to present the privatization initiative and tax status.

When Hannan arrived, Wiley narrowed the discussion to two issues: 1) taxability of USA lands; and 2) valuation. He promptly made up a list of documents he wants from GMH, which Hannan will send ASAP.

With respect to taxability, Wiley and MacDonald are concerned TNW cannot tax any part of the land as long as the USA owns the land. I said if not outright taxation then a PILOT Agreement will work in my opinion.

All of us on the Town side want a writing from the Department of the Navy (not GMH or the Navy-GMH Partnership) agreeing to taxation or PILOT payments, and on which we can rely. Hannan says that can be obtained from the Navy. Wiley wants NYS ORPS to render an opinion, which is smart since the proposed arrangement is a hybrid and unique. Wiley points out that will take some time to get a response. Crotty suggested that Scott Forrester from the Navy could communicate with ORPS.

With respect to valuation, Wiley said that would not be difficult to figure out once he has Hannan's information in hand. However Wiley stated he is not bound by Leslie's figures, especially since a handwritten note of hers indicates the figures she turned over to GMH are based on comparables for Squire Village when she should have used Washington Green.

12/19/02 18:37 FAX 845 562 6788

DUGGAN CROTTY DUNN PC

002/002

AT THIS TIME I REQUEST THE PLANNING BOARD MAKE AS A
CONDITION OF FINAL APPROVAL THAT SUCH APPROVAL BE SUBJECT
TO A WRITTEN INSTRUMENT FROM THE DEPARTMENT OF THE NAVY
SUBJECTING THE PROJECT TO TAXABLE STATUS OR PILOT
AGREEMENT, SATISFACTORY TO THE TOWN ASSESSOR AND ATTORNEY
FOR THE TOWN.

CC. Assessor Wiley
CIT MacDonald
Mark Edsall

PAC